

Governor's Water Augmentation Council

Finance Committee

May 15, 2017 Meeting Summary

Time: 11:00am – 1:00pm

Location: Arizona Department of Water Resources

The Governor's Water Augmentation Council (GWAC) Finance Committee was formed to research and identify possible funding sources for future projects proposed by the GWAC. A goal of the committee is to bring together an interdisciplinary group of experts to solve funding issues for water augmentation projects by analyzing what has worked in the past and will be most effective in the future.

Welcome and Introductions

The Committee Chair, Sandy Fabritz, introduced the committee members present: Warren Tenney, Sarah Porter, Cheryl Lombard, Dave Roberts, Greg Barber, Spencer Kamps, and Ted Cooke. Committee members Bob Lotts and Bas Aja were unable to attend.

Update on Planning Areas Data Project

Arizona Department of Water Resources (ADWR) staff, Martin Stiles, updated the Committee on the Planning Area water demand data analysis. The water demands were broken out into two categories: agricultural use and combined municipal and industrial use. Based on previous discussion by the Committee, estimated municipal and county annual budgets for water projects within each Planning Area were recalibrated to exclude municipal dollars for the agricultural sector. This iteration of the analysis also recalibrated urgency and fiscal metrics for each of the Planning Areas in both the agricultural and municipal & industrial use sectors. Future work is being done to create new maps of the metrics; one for each sector. Upcoming versions of the analysis will also include the individual Active Management Areas.

Public Private Partnerships Presentation by Greg Barber of EPCOR Water

Greg Barber is the Controller for EPCOR Water in the United States. He provided information on public-private partnerships that have been successfully carried out by EPCOR in Canada. Mr. Barber's presentation showed that public-private partnerships can be successful for a variety of project sizes. He stated that the key is to involve all stakeholders and to talk through the best possible plan for building and operation. Mr. Barber offered to provide further insight into private-public partnerships in the future, as the Finance Committee moves forward with project funding research.

WIFA Funding Presentation by Dan Dialessi

Dan Dialessi, Chief Financial Officer of the Water Infrastructure Finance Authority (WIFA), provided information regarding infrastructure project proposals. The information presented answered two key questions: 1) What does an investor look for in a water infrastructure project proposal? 2) What are some practical steps for the GWAC Finance Committee to move forward with seeking funding for a project?

Mr. Dialessi stated that WIFA is different than a traditional investor, because success is measured in terms of public health benefits and environmental quality. He added that WIFA has an obligation to ensure the health and viability of their funds for the future so they look at a project from a few different angles. The WIFA process includes the same criteria as a traditional finance source and due to their public health and water conscious values, they offer the most benefit to borrowers in need and high impact projects.

Mr. Dialessi explained the WIFA application process. The presentation is available [here](#).

[Desalination Plant Funding Presentation by Enviro Water Minerals Co.](#)

Hubble Hausman and Paul Wallace, the Chief Executive and Chief Technology Officers from Enviro Water Minerals Company, presented their full resource recovery desalination technology. The company's presentation can be viewed on the ADWR website [here](#).

[Closing Remarks](#)

The next Finance Committee meeting is set for June 15th, and will begin at 1:00pm at ADWR.